

Some Pre-Filing Considerations in U.S. Trademark Litigation

Pre-Filing Investigation and Preparation for U.S. Trademark Litigation

Presentation to the
Litigation Standing Committee
of the Intellectual Property Law Section
of the State Bar of California
in conjunction with the
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What Trademarks Are Being Infringed?

- Registered 15 U.S.C. Sec. 1114(1):
 - Presumptions (Rebuttable until incontestable): Ownership, validity (nationwide) 15 U.S.C. Sec. 1057(a), (b); 1115(a), (b).
 - What goods/services covered in the registration? [May also or alternatively need or wish to sue under 15 U.S.C. Sec. 1125(a); Sec. 43(a)].
 - Is the chain of title of record with the PTO current?
 - Are the registrations subject to cancellation? 15 U.S.C. Sec. 1064.
 - Was an ITU assigned prematurely? 15 U.S.C. Sec. 1060.
 - Medinol (fraud) problems? Medinol Ltd. v. Neuro Vasx Inc., 67 U.S.P.Q. 2d 1205 (TTAB 2003).

What Trademarks Are Being Infringed?

(continued)

- Abandonment (3 years non-use, rebuttable presumption).
 - Non-use for the goods/services in the ®.
 - Lack of policing?
 - Licensed w/o quality control?
 - Assigned w/o good will?
 - Logo not updated with PTO?
 - If plaintiff is assignee, do goods/services vary from assignor's use?
- Functionality (configuration/trade dress).
- Genericism.

What Trademarks Are Being Infringed?

(continued)

- Incontestability Timing and Issues.
 - If you sue before incontestable, must file Section 8 but may not file Section 15 while case is pending.
 - Incontestability is a “misnomer” (“conclusive” presumptions but...) weakness remains relevant in the *Sleekcraft* factors, despite incontestability. *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135 (9th Cir. 2002).
 - Fraud, genericism, abandonment (and others) may be asserted despite incontestability

What Trademarks Are Being Infringed?

(continued)

- Has ® symbol been used? (Statute requires for money damages) 15 U.S.C. Sec. 1111.
- If IR, be mindful of “central attack” implications from counterclaims.
- Where is the mark being used?

Unregistered Marks (Or to Bolster or Bracket Registration Protection) 15 U.S.C. Sec. 1125(a)

- What kind of mark is it?
- Is there secondary meaning (acquired distinctiveness)?
- Where is the mark being used? Is there secondary meaning there?
- How will you prove secondary meaning?
 - Secondary meaning survey? When?
 - Direct evidence?
 - How long used?
 - Sales revenues for this type of product?
 - Advertising saturation/expense for this type product.
 - Press coverage.
 - Product placement.
 - Unsolicited “fan” mail.
 - Successful policing.
- If configuration, is it non-functional? 15 U.S.C. Sec. 1125(a)(3).
- Abandonment? [Most issues as in registration section above.]

What Do You Know About Mark(s) to be Asserted?

- Is your client first? Are you sure?
- Order your own full search to see current third-party “landscape.”
- If this is a new client, ask, but also do a litigation search and see if they’ve asserted the mark before (or defended).
- Is the mark subject to co-existence or live/let/live agreements with third parties?
- Learn all you can about your client’s mark and why client chose it.
- Does the mark have any meaning in the trade?

What Do You Know About Mark(s) to be Asserted?

(continued)

- Ask client to look for emails and other documents re adoption (e.g., "we thought it best described our services").
- Review client's advertising for the mark including current and past web sites.
 - Could help show strength.
 - Could hurt (e.g., used descriptively, or configuration attributes "called out" in functional ways).
- If ®'d, pull file history of this mark and all client's similar marks.
- Admissions to PTO?
- To distinguish Examining Attorney citations of other marks?
- To argue with Examining Attorney re other issues?

What Do You Know About Alleged Infringer's Mark(s)?

- Much the same as above. Learn all you ethically can about the mark(s) and the infringer itself. Is there any way alleged infringer might assert priority? Tacking?
- Obtain adversary's products; be very familiar with its services.
- Familiarize yourself with how products/services are marketed.
- A word about Investigation: Be mindful of ethical considerations in researching use by a represented party, in investigator pretexts, in "sting" operations.

Cease and Desist Letters?

- Can help prove willfulness.
- Can show Court your client was reasonable.
- Can trigger D.J.

Who to Sue?

- Direct infringer.
- Secondary liability infringer (infringer's customer or even landlord), see *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259 (9th Cir. 1996); *Tiffany v. eBay* case under consideration by S.D.N.Y.
- Individual tortfeasor (if infringer is small, may not need to pierce corporate veil to pull in infringer).
- Insurance considerations in picking defendants.

Where to Sue?

(continued)

- Know your causes of action. Splits in the circuits on certain issues; some issues not decided in some jurisdictions.
 - Sales of keywords (split). 9th Circuit more favorable than 2d Circuit.
 - Initial-Interest confusion (split). *Lamparello v. Jerry Falwell*, 430 F.3d 309 (4th Cir. 2005); Fourth Circuit does not recognize the doctrine.
 - Presumption from lack of consumer confusion survey (9th Circuit). *Cairns v. Franklin Mint Co.*, 24 F. Supp. 2d 1013, 1041-42 (C.D. Cal. 1998), aff'd *Diana Princess of Wales. Memorial Fund v. Franklin Mint Co.*, 216 F.3d 1082 (9th Cir. 2000); *Merriam-Webster, Inc. v. Random House, Inc.*, 35 F.3d 65, 72 (2d Cir. 1994).

Where to Sue?

(continued)

- Need to plead reverse confusion specially (9th Circuit). *Surfvivor Media, Inc. v. Survivor Productions*, 406 F.3d 625 (9th Cir. 2005).
- Parody defense viable for non-First Amendment goods (4th Circuit). *Louis Vuitton Malletier S.A. v. Haute Dignity Dog*, 507 F.3d 252 (4th Cir. 2007).
- Nominative fair use not an articulated defense everywhere (9th Cir. and 3d Cir. disagree).
- “*Rogers v. Grimaldi*” defense not decided in most jurisdictions. (Decided in 2d, 9th, 6th Cir.)
- Timing – New York requires fast PI Motion or no irreparable injury.
- Motions for PI: CA rarely permits live testimony; S.D.N.Y. often permits or requires it.

Know Your Elements

- *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979).
[Likelihood of Confusion.]
 - Strength or weakness of plaintiff's mark.
 - Defendant's use (same, related, complementary goods/services).
 - Similarity of parties' marks.
 - Actual confusion.
 - Defendant's intent.
 - Marketing/advertising channels of the parties.
 - Purchaser's degree of care.
 - Product line expansion (gap bridging).
 - Have an idea going in how you'll prove your elements. Legal Expert?

Don't Forget Breadth of 15 USC Sec. 1125(a) **[Infringement/Unregistered Marks]**

- a) Civil action
 - (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which –
 - (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . .
 - shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

Survey

(Remember this affects timing!)

Dilution Considerations Before Filing

- Likelihood of Dilution now the law.
15 U.S.C. Sec. 1125(c).
- Tarnishment is now covered.
- No “niche” fame.
- Dilution Defenses:
 - Fair use by another in comparative commercial advertising.
 - Noncommercial use (movies, music, books, video games).
 - All forms of news reporting/commentary.

Injunction Considerations Before Filing

- If TRO or PI sought, have bond tentatively in place.
- Be prepared to prove irreparable injury; may no longer be presumed after *Ebay Inc. v MercExchange, L.L.C.*, 126 S. Ct. 1837 (2006); *MGM Studios, Inc. v. Grokster, Ltd.*, 2007 WL 3227684 *11 (C.D. Cal. 2007).

Trademark Trial and Appeal Board

Considerations Before Filing

- Can seek 90 day extension of time to oppose w/o consent.
- Remember TTAB lacks jurisdiction to enjoin or award monetary recovery. What do you want?
- Decide if you will assert your registrations or not.
- Be mindful of exposure through compulsory counterclaims.
- Use to establish trademark priority/standing for opposition is less than “use in commerce” for registration. *First Niagara Insurance Brokers, Inc. v. First Niagara Financial Group, Inc.*, 476 F.3d 867 (Fed Cir. 2007).
- Many of above District Court pre-filing considerations pertain, especially *Medinol*. New rules make TTAB inter-parties practice somewhat more onerous than before, and may make District Court filing of greater interest under some circumstances.